

Item: RESO 08-243
Fiscal Impact: \$86,900
Funding Source: General Fund (Street Lighting
Reserve)
Account #: 10-7542-40740-00000-0000
Budget Opening Required: **Yes**

ISSUE:

Purchase used 45 foot 2008 Terex LT40 Bucket Truck for the Transportation Division of the Public Works Department from Nesco Sales and Rentals.

SYNOPSIS:

The purchase of a bucket truck will enable the City to reduce future costs by maintaining City-owned street lights and traffic signals in-house.

BACKGROUND:

The City currently owns 318 street lights and 28 traffic signals. City-owned street lights are currently maintained through Rocky Mountain Power, for an additional charge. The City contracts with Salt Lake County for maintenance of traffic signals. The number of street lights owned by the City will continue to increase, since all new lights installed by developers in new subdivisions are dedicated to the City.

An analysis of maintenance costs for street lighting and traffic signals has shown that the City could save money by purchasing needed equipment and doing this work in-house. Taking over maintenance of the 318 street lights currently owned by the City, but maintained through Rocky Mountain Power, will eliminate a cost of \$21,000 a year. Taking over routine traffic signal maintenance from the County is estimated to save an additional \$30,000 a year. Maintaining traffic signals and street lights in-house will cost about the same as what we are currently expending. However, Rocky Mountain Power has requested a 12% increase in street lighting rates. Salt Lake County signal maintenance costs will increase \$1,000 per signal next year, for a total increase of \$28,000. In the long term, maintaining these assets in-house will be the most economical alternative.

The Fleet Management Division has located a 2008 model bucket truck with less than 500 miles of use. Purchasing this used truck will save \$10,000 compared to the cost of a new 45 foot bucket truck. This truck is practically brand new and will meet all the needs of the Transportation Division.

The City's procurement code allows for the use of sole source procurement, when competition would not be likely to produce other acceptable offers. It is extremely difficult to compare prices for used vehicles since vehicle specifications, mileage, and hours of use vary considerably. The Fleet Management Division's effort to locate used bucket trucks has shown this is a good price for this age and type of vehicle. It is unlikely that soliciting bids for a used bucket truck would produce a more acceptable offer.

RECOMMENDATION:

Approve purchase of a 45 foot 2008 Terex LT40 bucket mounted on a 2008 Sterling truck from Nesco Sales and Rentals.

SUBMITTED BY:

Russell B. Willardson, P.E., Public Works Director